

Meeting Date (?) 11/10/2015

Subject Matter* (?) Extension of Digitech Contract 3 of 3
This must match rolling agenda entry

Department of Origin* FINANCE

Submitted By* William Smith

Type of Meeting* BCD Special Regular

Classification* Public Hearing Consent Statutory Regular

Ordinance* None First Read Second Read First & Only Read

Strategic Initiative* Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description* Consider approving a one year extension of the 2011 agreement with Digitech Computer, Inc. (Digitech) for the billing of emergency medical services. Digitech's fee for this service will be 5.25% of all amounts collected. The contract will be for a period of December 1, 2015, through November 30, 2016, and will be for a not to exceed amount of \$120,000. If approved this will be the third and final of three (3) possible one (1) year extensions.

Summary Statement* In August 2011, the City of Bryan (the City) issued a Request for Proposals (RFP) for "Ambulance Billing Services". Proposals were received from fourteen (14) firms and were evaluated by members of the Finance and Fire Departments.

In November 2011, City Council approved a two (2) year agreement with Digitech Computer, Inc., to provide billing of emergency medical services. This agreement also provided for a maximum of three (3) one (1) year extensions. Digitech has agreed to continue providing billing services to the City under the same terms, conditions, and provisions as those contained in the original 2011 contract for a period of one (1) additional year pending approval by City Council. If approved, this extension will be effective December 1, 2015, through November 30, 2016. If approved this will be the third and final of three (3) possible one (1) year extensions.

Staff Analysis & Recommendation* Collection percentages have increased under the Digitech (58.15 % avg. net collection as compared to 48.79%) contract when compared to previous contracts. (See chart attached.)

Outsourcing ambulance billing allows the City to reduced costs for personnel, training, and software in a highly specialized field. Additionally, outsourcing provides the City with access to experts in the field of medical billing.

Digitech has worked with the City during Fiscal Year 2015 to establish a new billing format as well as a hardship program for patients without insurance coverage. The new billing format and the implementation of the hardship program will carry no cost to the City outside of the normal fee for collections.

Staff recommends approving the agreement with Digitech. Digitech has already agreed to the extension based on the terms of the original contract.

Options* (In Suggested Order of Staff Preference)
1. Approve the one (1) year extension of this agreement
2. Do not approve the extension and require staff to issue a Request for Proposal (RFP) for emergency medical billing services.
3. Do not approve the extension and provide additional direction to staff.

Funding Source* General Fund – Fiscal Services Operating Budget

Attachments

Signed Digitech Extension #3 of 3 - 2015.pdf

77.83KB

CAF Table.pdf

71.26KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

Dept. Head Signature



JOE HEGWOOD

**Deputy City Manager
Signature**



Hugh R. Walker

City Manager Signature



[Handwritten Signature]

City Attorney Signature



Janis K. Hampton